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*Memorandum*

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** FISCAL YEAR 2008 FEDERAL  
OMNIBUS APPROPRIATIONS BILL

**DATE:** January 29, 2008

Approved

*Christine J. Shippey*

Date

*1-30-08*

Council District: All

### INFORMATION

#### BACKGROUND

On December 26, 2007, President Bush signed the \$555 billion Omnibus Appropriations bill, which includes funding for the U.S. Department of Housing and Urban Development (HUD). The bill reduces funding for a few key federal housing and community development programs administered by the City and its partners.

As a federal entitlement jurisdiction, San José receives approximately \$15 million annually to administer housing and community development programs including the Community Development Block Grant Program (CDBG), the HOME Investment Partnership Program (HOME), the Emergency Shelter Grant (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program.

In addition to these key programs, the Housing Authority of the County of Santa Clara (HACSC) receives approximately \$90 million annually to administer program on behalf of the City of San José Housing Authority. The HACSC administers both the Tenant-Based Section 8 Housing Choice Vouchers Program and the Public Housing program.

Over the years, San José's development community has also accessed funding from the Section 202 and 811 programs, which provide capital grants for the development of housing for low-income seniors and those with special needs.

#### ANALYSIS

The HUD provisions of the Omnibus bill provide modest funding increases to some programs and slight decreases in other key programs as shown in the chart below.

Funding Allocations Affecting San José (in millions)				
PROGRAM	FY 2007 ENACTED	FY 2008 OMNIBUS	DIFFERENCE	
			\$	%
CDBG Formula Grants	\$3,711	\$3,593	-118	-3.2%
HOME Investment Partnership Program – Formula Grant	\$1,690	\$1,629	-61	-3.6%
HOME – American Dream Downpayment Initiative (ADDI)	\$25	\$10	-15	-60%
Emergency Assistance Grant (ESG is a part of this Program)	\$1,442	\$1,586	+144	+10%
Housing Opportunities for Persons with AIDS (HOPWA)	\$286	\$300	+14	+4.8%
Tenant Based Rental Assistance (Section 8 – Housing Choice Voucher Program)	\$15,920	\$16,391	+471	+3%
Project Based Rental Assistance	\$5,976	\$6,382	+406	+6.8%
Section 202 (Housing for the Elderly)	\$735	\$735	-0-	-0-
Section 811 (Housing for Persons with Disabilities)	\$237	\$237	-0-	-0-

The impact of these increases/decreases to San José is illustrated in the chart below. Over the last five years, federal entitlement funding for San José has dropped about 17%, with the largest reductions occurring with the CDBG and HOME programs. Combined, both of these programs have lost nearly \$2.9 million in funds since Fiscal Year 2004-2005.

San José's Federal HUD Entitlement Funding			
	2007-2008	2008-2009	Difference
CDBG	\$10,288,933	\$9,941,878	-3.4%
HOME	\$4,333,246	\$4,192,037	-3.3%
ADDI	\$62,209	\$25,135	-59.6%
ESG	\$444,821	\$443,313	-0.3%
HOPWA	\$739,000	\$767,000	3.8%
	\$15,868,209	\$15,369,363	-3.1%

  
 LESLYE KRUTKO  
 Director of Housing